

WASHINGTON, D.C. - Education Secretary Arne Duncan today released guidelines for allocation of the \$53.6 billion State Fiscal Stabilization Fund, part of the Recovery Act.

"We've been hearing a lot out of Sacramento that the state may delay sending these stabilization funds to our schools," **Congressman Sam Farr** (D-Carmel) said Wednesday. "This idea clearly flies in the face of Congressional intent. Today's guidelines are clear. Funds should be sent to schools and should be under the discretion of schools. In California, that means we should be able to use them to limit teacher layoffs."

The first two-thirds of the State Fiscal Stabilization Fund will be released within two weeks of the date a state's application is approved. The Department of Education began accepting applications today.

To receive stabilization funds, states must meet "maintenance-of-effort requirements," meaning they must show that their 2009 state education budget levels at least equal their 2006 state education budget levels. If they cannot, states can receive a waiver only if they can show their education budgets are not being disproportionately reduced.

"The only wiggle room a state has with stabilization funds is when it will be spent, not what it will be spent on," **Rep. Farr** said. "I call on Governor Schwarzenegger to quickly pass stabilization funds through to our schools and not squander this opportunity we have to stabilize our state education system."

Education Secretary Arne Duncan cautioned states: "Under the law passed by Congress, the top priority for these dollars is to do right by our schools and our kids. If states play games with these funds, the second round of stabilization funds could be in jeopardy and they could eliminate their state from competitive grant money. This money must be spent in the best interests of children."

"Today's guidelines made clear that states allocate funds, but how those funds will be used is up to our school districts," **Rep. Farr** said. "Funds should be used for three things: limit teacher layoffs, backfill education cuts and modernize school facilities."

Title I, IDEA funds released

The U.S. Department of Education also announced that the first pot of emergency education funds for Title I and IDEA programs has been released.

Nationwide, the Recovery Act provides \$13 billion for Title I programs, which help low-income students, and \$13.5 billion for IDEA programs, which help students with disabilities. Today's release of funds is the first of two installments, making up about half of the total amount. The second installment will take place in the fall.

Locally, this first release of funds sends approximately \$17 million to Central Coast schools. For a list of the full allocation amounts for Central Coast schools, view this previous press release:

http://www.farr.house.gov/index.php?option=com_content&task=view&id=485

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